

JOINT FINANCE COMMITTEE AND BOARD OF SELECTMEN MEETING  
12/2/09

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**Meeting Date:** Dec 2, 2009

**Called to Order:** 6:00 PM

**Montague Finance Committee Members Present:** John Hanold, Lynn Reynolds, Michael Naughton, Marge Levenson (arrived at 6:05 PM) and Rob Allen

**Montague Selectmen Present:** Patricia Pruitt, Pat Allen (arrived at 7:05) and Mark Fairbrother

**Others Present:** Frank Abbondanzio (Town Administrator), Carolyn Olsen (Town Accountant), Andrew Killeen (prospective member) and Jeff Singleton (GMRSD School Committee)

**Minutes**

FC Moved: To approve the minutes of November 18, 2009 as amended.  
Vote: 4 In Favor 0 Opposed 0 Abstained

BOS Moved: To approve the minutes of November 18, 2009 as amended.  
Vote: 2 In Favor 0 Opposed 0 Abstained

**Special Town Meeting** – New articles on warrant.

FC Moved: To endorse a Special Town Meeting Article to appropriate \$297.66 for a prior year Building Inspector Department bill, to be funded by Free Cash.  
Vote: 5 In Favor 0 Opposed 0 Abstained

FC Moved: To endorse a Special Town Meeting Article to appropriate \$1,000 for waiver of damages and a release of claims on Williams Way to be funded by Free Cash.  
Vote: 5 In Favor 0 Opposed 0 Abstained

**Affordable Assessment**

John Hanold spoke to the GMRSD this morning and reported that the state has not yet set the budget for the GMRSD and it might be done as late as next Tuesday. It is also likely that the state will set the towns' assessments as well as the total budget.

FC Moved: To move item 4 on the agenda (resolutions by Town of Gill) forward.  
Vote: 2 In Favor 2 Opposed 1 Abstained  
Motion failed.

Mr. Hanold noted that the concept of the affordable assessment is important so that the GMRSD School Committee knows what to expect. The actual numbers will change as more information becomes available.

Mike Naughton reiterated the options from his e-mail which are shown below:

The FY10 "Affordable Assessment" calculation for the GMRSD assessment is the prior year appropriation plus one half of new revenue growth and one half of the previous year's use of reserves. Other options include:

1. Keep the assessment the same as FY 2010 (i.e. "level fund")
2. Use the same methodology as FY 2010: i.e. start with the FY 2010 assessment as voted by town meeting and adjust it by 50% of the net change in revenues (in other words, start with the FY 2010 assessment and add half of the revenue increases and decreases that we estimate for FY 2011).
3. Start with total available revenue, and allocate 50% of that to GMRSD (in other words, forget about the FY 2010 assessment, and allocate half of all the money available to GMRSD).

There are alternatives within the alternatives. Two basic ones apply to #2 and #3:

A) Don't use a 50-50 split; instead, use something else -- say 40-60, or 45-65, or 48-52.

B) Don't have the split add up to 100; instead, have it add up to less-- say, 95, and leave the remaining percentage open for discussion. In other words, we could say that at the outset we recommend that GMRSD get 47.5% (for example) and the town get 47.5%, with the remaining 5% to be negotiated as the process moves forward. That would give us the flexibility to look more closely at both the town's and the district's situation and adjust the final percentage accordingly, without locking ourselves in to a final position right from the start.

There was general consensus to exclude excluded debt in determining available town revenues. The resulting affordable assessment would also be net of excluded debt.

There was discussion about the idea of the "holdback" in item B above. Several people liked the flexibility it provided, but there was also concern that holdback would become an attractive football. There was also concern that holding back part of available revenues from the original allocation (when the committees have already proposed not using any Stabilization funds for operating expenses) would only worsen an already serious budget problem.

Jeff Singleton doesn't like this because it throws what he did out the window. Mr. Singleton is trying to remove variables and provide a written explanation. Mr. Singleton would plead with us to come up with a step by step explanation of how we got to the end point, and he thinks that the old way is better because there were fewer variables. Mr. Singleton's only issue with hold back is that if we're talking about affordability, the flexibility suggests that there is more that is affordable.

Rob Allen made the point that regardless of the percentage chosen, the calculation is based on our best estimates of available revenues and that meets the definition of affordability.

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Patricia Pruitt thinks it's easier to discuss wage issues with unions if there's no holdback. Mr. Hanold suggested the approach of going through each option to determine whether there was any support and thereby narrow the alternatives.

No one was in favor of options #1 or #2.

No one was in favor or unequal allocations of available fund between the town operating budget and the GMRSD assessment.

The next option discussed was the hold back

FC Moved: That the Finance Committee is in favor of having a hold back.  
Vote: 3 In Favor 2 Opposed 0 Abstained

Pat Allen joined the meeting and was briefed on the topic.

BOS Moved: That the Board of Selectmen is in favor of having a hold back.  
Vote: 0 In Favor 3 Opposed 0 Abstained  
Motion failed.

Mr. Naughton, in the spirit of working harmoniously with the Board of Selectmen, suggested that the Finance Committee reconsider their vote.

FC Moved: That the Finance Committee reconsider its previous motion.  
Vote: 5 In Favor 0 Opposed 0 Abstained

FC Moved: That Finance Committee is in favor of having a hold back.  
Vote: 0 In Favor 5 Opposed 0 Abstained  
Motion failed.

FC Moved: That the available revenues for the FY2011 budget be allocated 50/50 between the town and the GMRSD.  
Vote: 5 In Favor 0 Opposed 0 Abstained

BOS Moved: That the available revenues for the FY2011 budget be allocated 50/50 between the town and the GMRSD.  
Vote: 2 In Favor 1 Opposed 0 Abstained

It was clarified that the available revenues are calculated net of excluded debt, and include the use of \$250,000 of Free Cash that was previously approved. Any excluded debt amounts would be added to the 50% allocation.

Carolyn Olsen offered to write an explanation of process for this decision with an example of the method, including definition of available revenue/funds.

### **Gill Resolutions**

In a joint meeting held November 23, 2009 resolutions were adopted by the Gill Selectboard and Finance Committee to the following effect:

1. The Selectboard and Finance Committee of the Town of Gill strongly support the School Committee goal of a “long-term plan for fiscal stability” for the Gill-Montague Regional School district developed jointly by the district, the state and member towns. Such a consensus plan that meets the educational goals of the district and is affordable to the member towns should be approved by all parties prior to the approval of Fiscal Year 2011 budgets and assessments, and the Selectboard and Finance Committee agree to work toward that goal along the lines of the Draft Document presented by the ad hoc group on State collaboration.
2. The Selectboard and Finance Committee of the Town of Gill request that one each of its members attend as an observer during the development of the FY 2011 GMRSD budget.
3. The Selectboard and Finance Committee of the Town of Gill invite the Selectboard and Finance Committee of Montague to join us in entering into a new conversation with the State over the future of the Gill Montague Regional School District budget.

The Montague Board of Selectmen and Finance Committee were asked to approve the same resolutions.

FC moved: To adopt the following resolution:

The Selectboard and Finance Committee of the Town of Montague strongly support the School Committee goal of a “long-term plan for fiscal stability” for the Gill-Montague Regional School district developed jointly by the district, the state and member towns. Such a consensus plan that meets the educational goals of the district and is affordable to the member towns should be approved by all parties prior to the approval of Fiscal Year 2011 budgets and assessments, and the Selectboard and Finance Committee agree to work toward that goal along the lines of the Draft Document presented by the ad hoc group on State collaboration.

Vote: 4 In Favor 1 Opposed 0 Abstained

Mike Naughton clarified that he is not in favor of not approving a budget if there is not a plan.

BOS moved: To adopt the following resolution:

The Selectboard and Finance Committee of the Town of Montague strongly support the School Committee goal of a “long-term plan for fiscal stability” for the Gill-Montague Regional School district developed jointly by the

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district, the state and member towns. Such a consensus plan that meets the educational goals of the district and is affordable to the member towns should be approved by all parties prior to the approval of Fiscal Year 2011 budgets and assessments, and the Selectboard and Finance Committee agree to work toward that goal along the lines of the Draft Document presented by the ad hoc group on State collaboration.

BOS Moved: To move the question.

Vote: 3 In Favor 0 Opposed 0 Abstained

BOS Vote on resolution: 3 In Favor 0 Opposed 0 Abstained

FC Moved: To reaffirm the Finance Committee's willingness to join the Town of Gill in entering into a new conversation with the State over the future of the Gill Montague Regional School District.

Vote: 5 In Favor 0 Opposed 0 Abstained

BOS Moved: To reaffirm the Selectboard's willingness to join the Town of Gill in entering into a new conversation with the State over the future of the Gill Montague Regional School District.

Vote: 3 In Favor 0 Opposed 0 Abstained

It was deemed unnecessary to vote to request that members be invited to public meetings. The next GMRSD School Committee is December 8, 2009 at 7 PM.

The December 15<sup>th</sup> meeting before the STM is cancelled, and we will not meet on December 16<sup>th</sup>. Regular weekly meetings will resume on January 6, 2010.

Budget messages and forms will be going out to departments on December 16<sup>th</sup>.

Adjourned 7:50 PM

Respectfully submitted:  
Carolyn Olsen